

27 February 2026

# Ta Ann Holdings

## FY25 Shines Plus Another 4Q Dividends

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TAANN ended FY25 well, with core net profit (CNP) coming in 6% above Kenanga, and 4% over consensus, expectation. 4QFY25 plantation results were lifted by robust production of both FFB and logs which offset softer CPO and timber prices. Peering ahead, softer CPO prices, flattish FFB and weaker timber production are expected. FY26F core EPS (CEPS) is upgraded by 6% to 43.9 sen and we introduce FY27F CEPS of 45.3 sen. We nudge up its PBV-driven TP by 13%, from RM3.90 to RM4.40 as we removed a 10% discount for losses at the timber unit which is no longer widening but kept our MARKET PERFORM call unchanged on flattish earnings ahead although its 9% dividend yield may appeal to income investors.

**FY25.** Excluding fair value gain (RM8m), foreign exchange losses (RM2m) and net asset write off (RM1m), FY25 CNP rose 31% YoY to RM213m. Stronger estimated prices for CPO (+4%) and PK (+35%) coupled with higher FFB production of 0.686m MT (+3%) contributed to the good FY25 earnings. Timber losses also contracted, thanks to higher log volume and new plywood exports market.

**4QFY25.** FFB and log production typically peak in 3Q for TAANN. For FY25, 4Q was the peak with good FFB harvest of 0.22m MT (+21% QoQ, +27% YoY) and log output of 0.0647m m<sup>3</sup> (+12% QoQ, +40% YoY) thus mitigating softer selling prices from CPO, logs and plywood. Hence, 4QFY25 plantation PBT rose to RM123m (+20% QoQ, +48% YoY) with timber reporting a RM12m loss. Net cash rose from RM347m in 3QFY25 to RM386m. After a surprise 2Q DPS (10 sen) then 10 sen in 3Q and 10.0 sen in Nov 2025 TAANN has declared another 10.0 sen for FY25, bringing FY25 DPS to 40.0 sen and meeting our expectation.

**Soft to flattish plantation earnings ahead.** Slightly weaker FY26 CPO prices are likely from improving supply but staying firm as tightness is expected to still prevail in the global edible market. We are nudging up our CPO price assumption from RM4,000 to RM4,100 per MT for FY26 and into FY27. FFB harvests should also improve 3-5% over FY26-27 amidst rising wages (+2%), fertiliser prices (+5%) and softer PK prices (-5%).

**Timber losses may be bottoming.** The sector faces fragile demand from uncertain economic growth amidst likely increase in AI data centres, energy and defense led construction and infrastructure. Hence, despite soft 4Q log and plywood prices, we expect timber losses to narrow over FY26-27 as lower log production (due to a rotational dip in forest plantation cycle) is countered by better plywood exports to new markets.

**Forecasts.** We are raising FY26F CEPS by 6% from 41.5 sen to 43.9 sen and introducing FY27F CEPS of 45.3 sen.

**Valuations.** Thus far, a 10% discount has been applied against TAANN's TP on concern of timber losses widening. This may no longer apply as losses could be potentially be contained; hence, we are removing this discount and raising TAANN TP by 9% from RM3.90 to RM4.40 as we re-based from 0.9x PBV to 1.0x PBV less a 5% ESG discount for its 2-star rating as appraised by us (see Page 3). TAANN's estates are MSPO but not RSPO certified while the timber unit is under Malaysian Timber Certification Scheme and European-based PEFC.

Maintain MARKET PERFORM for attractive dividend yield of 9%.

## MARKET PERFORM ↔

Price : **RM4.62**  
Target Price : **RM4.40** ↑

### Share Price Performance



KLCI	1,740.94
YTD KLCI chg	3.6%
YTD stock price chg	11.1%

### Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	TAH MK EQUITY
Market Cap (RM m)	2,034.9
Shares Outstanding	440.5
52-week range (H)	4.77
52-week range (L)	3.65
3-mth avg. daily vol.	313,517
Free Float	44%
Beta	0.5

### Major Shareholders

Mountex Sdn Bhd	16.5%
Wahab Haji Dolah	9.4%
Haji Sepawi Amar Abd	7.7%

### Summary Earnings Table

FYE Dec (RM m)	2025A	2026F	2027F
Turnover	1,931.9	1,641.6	1,662.0
EBIT	300.1	282.7	276.1
PBT	377.1	328.6	324.6
<b>Net Profit (NP)</b>	<b>218.9</b>	<b>195.3</b>	<b>201.3</b>
<b>Core NP</b>	<b>213.4</b>	<b>193.3</b>	<b>199.3</b>
Consensus (CNP)	205.5	199.7	207.9
Earnings Revision	-	+6%	NEW
Core EPS (sen)	48.4	43.9	45.3
Core EPS Growth (%)	28.2	-9.4	3.1
NDPS (sen)	40.0	40.0	40.0
NTA/Share (RM)	4.28	4.36	4.46
Core PER (x)	9.5	10.5	10.2
Price/NTA (x)	1.08	1.06	1.04
Net Gearing (x)	N Cash	N Cash	N Cash
Dividend Yield (%)	8.7	8.7	8.7

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**Risks to our call include:** (i) weather impact on CPO and timber production, (ii) commodity price fluctuations, and (iii) cost inflation.

<b>Results Highlights</b>								
<b>FYE Dec (RM m)</b>	<b>4Q25</b>	<b>3Q25</b>	<b>QoQ</b>	<b>4Q24</b>	<b>YoY</b>	<b>FY25</b>	<b>FY24</b>	<b>YoY</b>
<b>Revenue</b>	<b>590.1</b>	<b>502.2</b>	<b>18%</b>	<b>463.0</b>	<b>27.4%</b>	<b>1,931.9</b>	<b>1,649.8</b>	<b>17.1%</b>
Gross Profit	157.3	139.1	13%	111.7	40.9%	500.2	401.0	24.8%
<b>Operating Profit</b>	<b>98.9</b>	<b>96.2</b>	<b>3%</b>	<b>57.0</b>	<b>74%</b>	<b>324.4</b>	<b>242.6</b>	<b>34%</b>
Interest expenses	3.4	(1.3)	-364%	3.0	13%	8.7	6.3	37%
Associates & JVs	10.0	11.4	-12%	7.6	31%	38.6	34.5	12%
EI (excl in core net profit)	(16.5)	11.2	-247%	(23.7)	-30%	5.5	16.2	-66%
<b>Pretax Profit</b>	<b>95.8</b>	<b>117.6</b>	<b>-19%</b>	<b>43.9</b>	<b>118%</b>	<b>377.1</b>	<b>299.6</b>	<b>26%</b>
Taxation	(32.6)	(25.7)	27%	(17.9)	82%	(100.2)	(69.5)	44%
MI	(15.1)	(16.9)	-11%	(11.7)	29%	(58.1)	(50.6)	15%
<b>Net Profit</b>	<b>48.0</b>	<b>74.9</b>	<b>-36%</b>	<b>14.3</b>	<b>236%</b>	<b>218.9</b>	<b>179.6</b>	<b>22%</b>
<b>Core Net Profit</b>	<b>64.6</b>	<b>63.7</b>	<b>1%</b>	<b>38.0</b>	<b>70%</b>	<b>213.4</b>	<b>163.4</b>	<b>31%</b>
Core EPS (sen)	14.7	14.5	1%	8.6	70%	48.4	37.1	31%
Net DPS (sen)	10.0	10.0	0%	-	N.A.	40.0	35.0	14%
GP %	27%	28%		24%		26%	24%	
EBIT %	17%	19%		12%		17%	15%	
PBT %	16%	23%		9%		20%	18%	
Tax %	34%	22%		41%		27%	23%	
Approx CPO (RM / mt)	4,100	4,200	-2%	4,600	-11%	4,280	4,100	4%
FFB Production (MT)	220,199	182,177	21%	173,285	27%	686,539	666,005	3%
CPO Production (MT)	98,644	79,368	24%	71,724	38%	309,986	273,261	13%
Log Production (m3)	64,702	57,806	12%	46,315	40%	204,580	183,638	11%

Source: Company, Kenanga Research

<b>Segmental Breakdown</b>								
<b>FYE Dec (RM m)</b>	<b>4Q25</b>	<b>3Q25</b>	<b>QoQ</b>	<b>4Q24</b>	<b>YoY%</b>	<b>FY25</b>	<b>FY24</b>	<b>YoY</b>
<b>Segmental Revenue:</b>								
Timber	51.4	64.1	-20%	39.0	32%	190.4	196.7	-3%
Plantation	537.9	436.9	23%	423.0	27%	1,737.7	1,449.6	20%
Others	0.8	1.1	-31%	1.1	-32%	3.8	3.5	10%
<b>Group Revenue</b>	<b>590.1</b>	<b>502.2</b>	<b>18%</b>	<b>463.1</b>	<b>27%</b>	<b>1,931.9</b>	<b>1,649.8</b>	<b>17%</b>
<b>Segmental Pretax Profit:</b>								
Timber	(11.5)	2.5	-568%	(21.6)	-47%	(15.0)	(26.6)	-44%
Plantation	123.1	102.8	20%	83.4	48%	383.6	302.3	27%
Others	(15.9)	12.3	-229%	(17.8)	-11%	8.5	23.9	-64%
<b>Group Pretax Profit</b>	<b>95.8</b>	<b>117.6</b>	<b>-19%</b>	<b>43.9</b>	<b>118%</b>	<b>377.1</b>	<b>299.6</b>	<b>26%</b>

Source: Company, Kenanga Research

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### Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside	Market Cap (RM m)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE	Net Div. Div. (sen)	Net Div Yld
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
<b>PLANTATION</b>																	
GENTING PLANTATIONS BHD	MP	5.16	5.40	4.7%	4,629.4	Y	12/2026	43.7	44.2	10.7%	1.2%	11.8	11.7	0.8	7.2%	28.0	5.4%
HAP SENG PLANTATIONS HOLDING	UP	2.18	2.15	-1.4%	1,743.3	Y	12/2026	16.3	16.7	-6.4%	2.2%	13.4	13.1	0.8	5.9%	8.0	3.7%
IOI CORP BHD	MP	4.01	4.35	8.5%	25,203.6	Y	06/2026	23.9	23.5	18.8%	-1.5%	16.8	17.0	1.9	12.5%	11.0	2.7%
KUALA LUMPUR KEPONG BHD	OP	19.24	24.00	24.7%	21,426.8	Y	09/2026	127.1	137.8	17.2%	8.4%	15.1	14.0	1.4	9.7%	60.0	3.1%
PPB GROUP BHD	OP	10.84	12.50	15.3%	15,421.0	Y	12/2025	98.5	115.3	21.5%	17.0%	11.0	9.4	0.5	3.0%	45.0	4.2%
SD GUTHRIE BHD	MP	5.82	5.45	-6.4%	40,249.5	Y	12/2026	27.8	28.0	-3.3%	0.5%	20.9	20.8	1.9	11.9%	15.0	2.6%
TA ANN HOLDINGS BHD	MP	4.62	4.40	-4.8%	2,034.9	Y	12/2026	43.9	45.3	-9.4%	3.1%	10.5	10.2	1.1	10.3%	40.0	8.7%
TSH RESOURCES BHD	OP	1.22	1.55	27.0%	1,537.8	Y	12/2026	12.6	13.0	-9.5%	3.1%	9.6	9.4	0.7	7.9%	5.0	4.1%
UNITED MALACCA BHD	OP	5.82	6.45	10.8%	1,220.9	Y	04/2026	76.1	70.8	37.2%	-7.0%	7.6	8.2	0.8	10.4%	20.0	3.4%
<b>Simple Average</b>					<b>113,467.2</b>					<b>9.9%</b>	<b>4.8%</b>	<b>15.7</b>	<b>15.0</b>	<b>1.1</b>	<b>8.8%</b>		<b>4.2%</b>

Source: Bloomberg, Kenanga Research

	Criterion	Rating				
<b>GENERAL</b>	Earnings Sustainability & Quality	★	★	☆		
	Corporate Social Responsibility	★	★			
	Management/Workforce Diversity	★	★			
	Accessibility & Transparency	★	★	☆		
	Corruption-Free Pledge	★	★			
	Carbon-Neutral Initiatives	★	★			
	<b>SPECIFIC</b>	Product Safety to Users	★	★	☆	
Product Safety to the Public		★	★			
Guest Labour Welfare		★	★			
Supply Chain Auditing		★	★	★		
Work Site Safety		★	★			
Industrial Waste Disposal		★	★			
<b>OVERALL</b>		★	★			

- ☆ denotes half-star
- ★ -10% discount to TP
- ★★ -5% discount to TP
- ★★★ TP unchanged
- ★★★★ +5% premium to TP
- ★★★★★ +10% premium to TP

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**Stock Ratings are defined as follows:****Stock Recommendations**

OUTPERFORM	: A particular stock's Expected Total Return is MORE than 10%
MARKET PERFORM	: A particular stock's Expected Total Return is WITHIN the range of -5% to 10%
UNDERPERFORM	: A particular stock's Expected Total Return is LESS than -5%

**Sector Recommendations\*\*\***

OVERWEIGHT	: A particular sector's Expected Total Return is MORE than 10%
NEUTRAL	: A particular sector's Expected Total Return is WITHIN the range of -5% to 10%
UNDERWEIGHT	: A particular sector's Expected Total Return is LESS than -5%

**\*\*\*Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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